

ARIZONA BOARD OF APPRAISAL
SUPERVISING APPRAISER/TRAINEE RULES--EFFECTIVE 5/31/08

R4-46-101: Direct supervision" means that a supervising appraiser of a trainee is directing and overseeing the production of each appraisal assignment and is personally and physically present during the entire inspection of each appraised property.

"Practicing Appraiser" means a state licensed or certified appraiser in good standing engaged in performing appraisal assignments.

"Supervising appraiser" means a state certified appraiser in good standing with a minimum of four years of experience within the last four years as a practicing appraiser who engages in direct supervision of a trainee pursuing a state license or certificate and provides training for work included within the supervising appraiser's classification.

"Trainee" means an individual who is being taught to become a state licensed or certified appraiser under the direct supervision of a supervising appraiser.

R4-46-201(D): Notwithstanding the criteria incorporated by reference in subsection (A), there is no Trainee Real Property Appraiser Classification.

1. A supervising appraiser shall instruct and directly supervise a trainee for any classification of license or certificate in the entire preparation of each appraisal. A supervising appraiser shall provide direct supervision, being personally and physically present during the entire inspection of each appraised property with the trainee. The supervising appraiser shall approve and sign all final appraisal documents, certifying the appraisals are in compliance with the Uniform Standards of Professional Appraisal Practice.
2. A trainee may have more than one supervising appraiser, but a supervising appraiser shall not supervise more than three trainees at any one time. A trainee shall maintain an appraisal log for each supervising appraiser and, at a minimum, include the following in the log for each appraisal:
 - a. Type of property,
 - b. Date of report,
 - c. Property description,
 - d. Description of work performed by the trainee and scope of review and supervision by the supervising appraiser,
 - e. Number of actual work hours by the trainee on the assignment, and
 - f. The signature and state certificate number of the supervising appraiser.
3. A supervising appraiser shall provide to the Board in writing the name and address of each trainee within 10 days of engagement, and notify the Board in writing immediately upon termination of the engagement. A state certified appraiser is not eligible to be a supervising appraiser unless the appraiser's certificate is in good standing and the appraiser has not been subject to license or certificate suspension, probation, or mentorship within the last two years.
4. An appraiser who wishes to act as a supervising appraiser shall submit proof of completion of a minimum of 4 hours of continuing education approved by the Board, regarding the role of a supervising appraiser, before supervision begins. The required course shall not be taken through distance education.
5. Each supervising appraiser shall submit to the Board proof of completion of a minimum of 4 hours of continuing education approved by the Board regarding the role of a supervising appraiser within 60 days of the effective date of this subsection. The required course shall not be taken through distance education. If the supervising appraiser does not take the course within 60 days of the effective date of this subsection, the supervising appraiser shall not act as a supervising appraiser until the class is taken and proof has been submitted to the Board.
6. In the event that an appraiser or a supervising appraiser does not comply with the applicable requirements of subsection (D):
 - a. The appraiser or the supervising appraiser may be subject to disciplinary action pursuant to A.R.S. § 32-3631(A)(8), and
 - b. A trainee shall not receive experience credit for hours logged during the period that the appraiser or supervising appraiser failed to comply with the applicable requirements of subsection (D).

FREQUENTLY ASKED QUESTIONS:

1. Can a licensed appraiser act as a supervising appraiser?

ANSWER: No. Effective 1/1/08, only certified appraisers can act as supervising appraisers. A trainee's experience hours earned through December 31, 2007, under a licensed appraiser will not be lost and can be used on the experience log.

2. If an appraiser is a licensed/certified appraiser and signs an appraisal with supervision of another licensed/certified appraiser, is he considered a trainee?

ANSWER: Yes. "Trainee" is defined in the rules as "an individual who is being taught to become a state licensed or certified appraiser under the direct supervision of a supervising

appraiser." This also applies to any current state licensed or certified residential appraiser who is working toward a new classification (i.e., licensed to certified residential or certified general; or certified residential to certified general). The experience must appear on your experience log and any appraisal logged on the experience log must include the assistance you provided. See question 3—who can sign an appraisal? (**NOTE:** Pursuant to Substantive Policy Statement #5, Guidelines for Evaluating Experience from a Licensed or a Certified Residential Appraiser Working Toward a New Classification adopted by the Board 1/15/09, a licensed/certified appraiser working toward a new classification must work under a supervising appraiser **commencing 4/1/09.**)

3. Who can sign an appraisal?

The Comment to Standards Rule 2-3 specifically states: "*An appraiser who signs any part of the appraisal report, including a letter of transmittal, must also sign the certification. In an assignment that includes only assignment results developed by the real property appraiser(s), any appraiser(s) who signs a certification accepts full responsibility for all elements of the certification, for the assignment results, and for the contents of the appraisal report.*" USPAP does not define or otherwise address the term, Supervisory Appraiser. The term was introduced by authors of several heavily utilized residential appraisal forms. When two appraisers are working on an appraisal assignment, and the appraisal assignment is beyond the scope of one of the appraiser's classification, only the appraiser whose appraiser classification scope is not exceeded can sign the appraisal. On the common residential forms, the appraiser would sign on the left AND WOULD NOT SIGN AS A SUPERVISORY APPRAISER. The second appraiser CANNOT SIGN the report because the second appraiser would be *accepting full responsibility for all elements of the certification, for the assignment results, and for the contents of the appraisal report*" beyond the scope of his appraiser classification. However, in accordance with Standards Rule 2-2(a)(vii), (b)(vii), and (c)(vii), the extent of the assistance by the appraiser who does not sign the report MUST BE described, summarized or stated (depending on the reporting option used) within the report. This required disclosure could be included within the certification, but it could also be included in some other section of the report.

4. My firm has a total of three Arizona certified appraisers. There are four trainees. Generally, two certified appraisers each have one trainee and one certified appraiser has two trainees. If one certified appraiser is required per client contract to inspect, etc. and co-sign an appraisal report prepared by one of the other certified appraisers whose trainee provided significant assistance in the preparation of the appraisal and who was not supervised by the signing appraiser, does this violate the intent of the Board's limitation of three trainees?

ANSWER: No. A trainee can have more than one supervising appraiser. However, in this scenario, the signing appraiser is not supervising the trainee. The signing appraiser would have to disclose in the appraisal report the assistance of the other appraiser, as well as the trainee, to comply with USPAP.

5. Does the following scenario fulfill the intent of the definition of "Direct Supervision": (a) the supervising appraiser and trainee meet together and review the facts of the assignment; (b) the supervising appraiser and trainee pull potential sales and county records and MLS information of the subject property, as well as similar sales; (c) the

trainee creates the beginning of the workfile; (d) the trainee pulls all the additional information such as maps, flood and Super Fund site information, as well as other property information found and then the supervising appraiser reviews all the information gathered by the trainee; (e) trainee visits the subject property and takes a number of photos of the interior and exterior without the supervising appraiser; (f) trainee drives by the potential comparable sales and takes photos of all sales that might be used as "comps" without the supervising appraiser; (g) supervising appraiser does a drive-by of the subject and all sales that might be used as "comps"; (h) trainee prepares the report form and the supervising appraiser reviews the workfile and the report form, makes necessary changes and inserts appropriate certifications in the report; (i) supervising appraiser and trainee create the final report form; and (j) supervising appraiser signs and submits report to client?

ANSWER: No. The rules are very specific in definition and text to make sure that the supervising appraiser must personally and physically present during the entire inspection of each appraised property.

6. **If a licensed appraiser wants to become a certified appraiser, but has not met his four years of licensed experience, will the licensed appraiser need to be supervised by a four-year certified appraiser?**

ANSWER: The licensed appraiser must be supervised by a supervising appraiser. See #2, above. The supervising appraiser must be a "practicing appraiser" in good standing with a minimum of four years of experience within the last four years as a state licensed (prior to 1/1/08) or state certified appraiser.

7. **Can the supervising appraiser just send the trainee out to do an inspection with a camera or video camera, not accompany the trainee, and then just view the pictures or video to comply with the inspection of each appraised property?**

ANSWER: No. Accompanying the trainee on every inspection is an integral part of the appraisal learning process. The supervising appraiser must direct and oversee the production of each appraisal assignment and be personally and physically present during the entire inspection of each appraised property.

8. **Can a certified residential appraiser who meets all of the supervising appraiser requirements act as a supervising appraiser for a trainee working towards the certified general classification?**

ANSWER: No. The training must be within the supervising appraiser's classification. A certified residential appraiser can be a supervising appraiser for a trainee working towards the certified residential or licensed classifications. A certified general appraiser can be a supervising appraiser for a training working toward any of the three appraiser classifications.

9. Does the supervising appraiser have to review the trainee's experience log?

ANSWER: Yes. A trainee must maintain a log and have the supervising appraiser initial each entry and sign the log. The Board strongly urges the supervising appraiser not to wait until the end of the training period to review and complete the log.

10. Is a supervising appraiser responsible for the accuracy of the experience log?

ANSWER: Yes. The experience log becomes a part of the trainee's application for licensure/certification. If the experience log is not accurate, the trainee can be denied licensure/certification and the supervising appraiser could lose his license or certificate.

11. Can a supervising appraiser work in Phoenix and supervise a trainee working in Prescott?

ANSWER: Yes. As long as the supervising appraiser is directing and overseeing the production of each appraisal assignment and is personally and physically present during the entire inspection of each appraised property.

12. Can a supervising appraiser be working in California and supervise a trainee working in Mohave County, Arizona?

ANSWER: No. A supervising appraiser and trainee must work in the same state.

13. Does the supervising appraiser's four years as a practicing appraiser have to be consecutive years?

ANSWER: No, but the four years can include only those years where the supervising appraiser was state licensed or certified.

14. Does the supervising appraiser's four years as a practicing appraiser have to be in Arizona?

ANSWER: No, a supervising appraiser can use those years where he was licensed or certified in another state.

15. My proposed supervising appraiser just got off probation. Can he supervise me?

ANSWER: No. A supervising appraiser cannot be subject to license/certificate suspension, probation or mentorship within the prior two years.

16. I have been a trainee for my supervising appraiser for six months. My supervising appraiser was just disciplined by the Board with suspension followed by probation and mentorship. Can he continue to act as my supervising appraiser?

ANSWER: No. A supervising appraiser cannot be subject to license/certificate suspension, probation or mentorship within the prior two years.

17. **Is the trainee responsible for advising the Board that he has a supervising appraiser?**

ANSWER: No. The supervising appraiser must provide the Board in writing the name and address of each trainee within 10 days of engagement. The form for notification is available on the Board's website under Licensing. The original must be filed with the Board and a copy must be given to the trainee. The trainee must file a copy with the application for licensure/certification.

18. **Can the trainee file the Supervising Appraiser's Notification of Engagement/Termination of Trainee instead of the supervising appraiser.**

ANSWER: No. The supervising appraiser must notify the Board in writing immediately upon termination of engagement. The form for notification is available on the Board's website under Licensing. The original must be filed with the Board and a copy must be given to the trainee.

19. **My trainee got his license a few months ago and he is still showing up as my trainee. Can you take him off the list?**

ANSWER: The supervising appraiser must notify the Board in writing immediately upon termination of engagement. The form for notification is available on the Board's website under Licensing. The original must be filed with the Board and a copy must be given to the trainee.

20. **I am a trainee and have been working with the same supervising appraiser for some time. Recently, my supervising appraiser told me that since I was only a trainee, I had no right to access workfiles on appraisals where I provided significant professional assistance. Is my supervising appraiser correct? Do trainees have no rights regarding access to workfiles?**

ANSWER: Yes. (Paraphrased from the Appraisal Standards Board (ASB) USPAP Q&A 9/06) As background, USPAP places workfile retention requirements on the *appraiser*. In assignments where more than one appraiser is involved (e.g., a supervising appraiser and a trainee) each share a responsibility for complying with the Record Keeping section of the ETHICS RULE. A supervising appraiser must not impede a trainee's ability to access files. Denying access to workfiles is a violation of the ETHICS RULE. *This Rule specifies the personal obligations and responsibilities of the individual appraiser. However, it should also be noted that groups and organizations in appraisal practice share the same ethical obligations.*

21. **I have been trying to find a supervising appraiser and nobody is willing to train me. Is there a list of approved supervising appraisers that I can call?**

ANSWER: No. The Board does not approve supervising appraisers. Any certified appraiser in good standing with a minimum of four years of experience within the last four years as a state licensed or certified appraiser who is engaged in performing appraisals; who has not been subject to license/certificate suspension, probation or mentorship within the last two years; who has submitted proof of completion of a minimum of four hours of live

classroom continuing education approved by the Board regarding the role of a supervising appraiser; and who files a notice of engagement of supervising appraiser with the Board may act as a supervising appraiser. (A supervising appraiser who has a Notice of Engagement on file with the Board on or before 5/31/08 must submit proof of the supervising appraiser education on or before 7/30/08.) A list of current supervising appraisers is available on the Board's website at www.appraisal.state.az.us under Supervising Appraisers/Trainees.

- 22. When is the deadline to take the minimum of four hours of live classroom continuing education supervising appraiser course?**

ANSWER: A supervising appraiser who has a Notice of Engagement on file with the Board on or before 5/31/08 must submit proof of the supervising appraiser education on or before 7/30/08. An appraiser filing a Notice of Engagement on or after 6/1/08 must submit proof of the supervising appraiser education with the Notice of Engagement. Once a supervising appraiser has submitted the proof of education to the Board, he/she will not have to resubmit proof with each new Notice of Engagement.

- 23. Can I take the required supervising appraiser course online?**

ANSWER: No. The course must be approved by the Board, must be at least four hours long, and cannot be a distance education course.

- 24. If I complete training my trainee and have submitted to the Board my Notice of Termination for the trainee on or before 5/31/08, do I have to take the required supervising appraiser course?**

ANSWER: No. If you are not acting as a supervising appraiser, you do not have to submit proof of completing the course. However, if you wish to act as a supervising appraiser on or after 6/1/08, you must submit proof of the supervising appraiser education with the Notice of Engagement.

- 25. If I obtained my appraisal experience in another state, would a Notice of Engagement of supervising appraiser have to be filed by my supervising appraiser from the other state in order to get credit for the experience?**

ANSWER: No. The experience log must meet Arizona's requirements, and any appraisal logged on the experience log must include the assistance you provided.

- 26. I will be applying for a new classification from licensed to certified residential. I have assisted a certified appraiser on several appraisals. The appraiser is acting as a supervising appraiser for three trainees. Will my assistance count for my appraisal experience.**

ANSWER: No. "Trainee" is defined in the rules as "an individual who is being taught to become a state licensed or certified appraiser under the direct supervision of a supervising appraiser." The rules provide that "a supervising appraiser shall not supervise more than three trainees at any one time."

27. Are there any consequences if I do not follow the supervising appraiser/trainee rules?

ANSWER: Yes. Appraisers not complying with the supervising appraiser/trainee rules may be subject to disciplinary action AND the trainee will not receive credit for hours logged during the period of noncompliance.